

Report Date: February 1, 2017

TCAPR,  
CORP.  
Office of the  
Technical  
Compliance Advisor

Financial  
Report as of:

December 31

2016

RECEIVED AND FILED  
2017 FEB -6 PM 1:58  
JLEH  
US DIST CT CHIC

This financial report was prepared solely and exclusively for the use of the USDOJ, PRDOJ, and the USDC for the District of Puerto Rico and is to be considered private, privileged and confidential in substance and nature. It cannot be reproduced, shared, demonstrated, published or otherwise exposed to others without the express authorization. No one other than the named recipients can rely on this report and/or its terms and conditions.

Prepared by:  
Eric Guzman  
Executive Office  
Manager

February 1, 2017  
Page 1 of 5

**To:** Judge Gustavo A Gelpi  
United States District Court of Puerto Rico  
Federico Degetau Federal Building  
150 Carlos Chardon Street  
San Juan, PR, 00918-1767

**From:** Eric Guzman  
Executive Office Manager  
Office of the Technical Compliance

**Re:** Mr. Arnaldo Claudio  
Technical Compliance Advisor ("TCA")  
TCAPR, Corp.

**Subject:** Financial Report as of December 31, 2016

**Copies:** US Department of Justice  
PR Department of Justice

**TCAPR, Corp.**  
**Statement of Operations and Fund Balance vs. Budget**  
**As of December 31, 2016**

<b>TCAPR, CORP.</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>
<b>TOTAL PRPD REFORM CONTRIBUTIONS</b>	\$ 1,397,484.03	\$ 1,482,664.40	\$ (85,180.37)
<b>PROGRAM EXPENSESES</b>			
SALARIES & WAGES	\$ 429,016.74	\$ 472,350.00	\$ (43,333.26)
CONSULTANTS (CORE TEAM)	557,655.00	682,500.00	\$ (124,845.00)
SPECIALISTS	276,623.50	197,500.00	\$ 79,123.50
TRANSPORTATION	24,674.30	27,350.00	\$ (2,675.70)
<b>TOTAL PROGRAM EXPENSESES</b>	<u>1,287,969.54</u>	<u>\$ 1,379,700.00</u>	<u>\$ (91,730.46)</u>
<b>MANAGEMENT &amp; GENERAL EXPENSESES</b>			
EMPLOYER RELATED TAXES & BENEFITS	\$ 51,217.44	\$ 44,464.40	\$ 6,753.04
COMMUNICATIOS	2,275.97	3,000.00	\$ (724.03)
PROFESSIONAL & FEES	17,525.00	18,000.00	\$ (475.00)
OTHER OFFICE CHARGES	2,430.66	1,500.00	\$ 930.66
OFFICE RENT EXPENSES	36,000.00	36,000.00	
<b>TOTAL MANAGEMENT &amp; GENERAL EXPENSESES</b>	<u>109,449.07</u>	<u>102,964.40</u>	<u>\$ 6,484.67</u>
<b>FUND BALANCE (N6)</b>	<u>\$ 65.42</u>	<u>\$ -</u>	<u>\$ -</u>

February 1, 2017  
Page 2 of 5

---

TCAPR, Corp.  
Summary of Actual vs Budget Variance  
As of December 31, 2016

TCAPR, CORP.	ACTUAL	BUDGET	VARIANCE
PROGRAM EXPENSES	\$ 1,287,969.54	\$ 1,379,700.00	\$ (91,730.46)
MANAGEMENT & GENERAL EXPENSES	109,449.07	102,964.40	6,484.67
BUDGET SAVING FROM PROGRAM & MANAGEMENT EXPENSES	<u>\$ 1,397,418.61</u>	<u>\$ 1,482,664.40</u>	<u>\$ (85,245.79)</u>

February 1, 2017  
Page 3 of 5

**TCAPR, Corp.**  
**Statement of Financial Position**  
**As of December 31, 2016**

<b>TCAPR, CORP.</b>	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<u><b>CURRENT ASSETS</b></u>		
PETTY CASH	\$ 53.90	\$ 93.11
REGULAR CHECKING ACCOUNT	10,701.42	9,594.59
RESTRICTED FUNDS (N1)	7,675.00	7,675.00
ACCOUNT RECEIVABLE (USDC-PR)	72,547.59	63,738.50
ACCOUNT RECEIVABLE (N2)	998.00	
UNBILLED TCAPR SERVICES (N3)	3,738.43	2,901.23
TOTAL CURRENT ASSETS	95,714.34	84,002.43
<u><b>OTHER ASSETS</b></u>		
PREPAID TELEPHONE (N4)	53.74	-
PREPAID PAYROLL TAXES	10.40	399.00
PRTC DEPOSIT (N5)	150.00	150.00
TOTAL OTHER ASSETS	214.14	549.00
<b>TOTAL ASSETS</b>	<b>\$ 95,928.48</b>	<b>\$ 84,551.43</b>
<b>LIABILITIES AND NET ASSETS</b>		
<u><b>CURRENT LIABILITIES</b></u>		
ACCOUNTS PAYABLE	69,437.94	62,710.95
TCAPR OVERBILLED	-	866.74
ACCRUED REIMBURSEMENT	11.20	-
SOCIAL SECURITY TAXES	1,958.77	2,743.81
FEDERAL UNEMPLOYMENT TAX	210.00	-
STATE INCOME TAX WITHHOLDING	5,931.78	4,998.07
VA - INCOME TAX WITHHOLDING	805.56	583.68
CHAUFFER INSURANCE	10.60	11.20
7% INCOME TAXES PAYABLE	1,898.13	3,750.50
OTHER FEES	5.00	-
ACCRUED VACATION	3,993.60	4,500.00
ACCRUED SICK	3,744.00	2,880.00
TOTAL CURRENT LIABILITIES	\$ 88,006.58	\$ 83,194.95
RESTRICTED FUND BALANCE	7,921.90	1,356.48
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 95,928.48</b>	<b>\$ 84,551.43</b>

**TCAPR, Corp.**  
**Notes of Statement of Financial Position**  
**As of December 31, 2016**

**Note 1: Restricted Funds**

The actual bank account balance \$18,376.42 contains funds in the amount of \$7,675 that have been designated for the following transactions:

Landlord Deposit	\$ 6,000.00
Funds for an Office Switchboard	1,675.00
Total	<u>7,675.00</u>

**Note 2: Account Receivable**

Following the established protocols, the TCA Office presented its Request for Payment of Monthly Expenses to the Honorable Court for the months of November and December of 2016 for the total amounts of, respectively, \$46,560.46 and \$48,186.84. However, payments received from the Honorable Court for these two months totaled, respectively, \$45,560.49 (November 16, 2016) and \$48,188.84 (December 16, 2016), resulting in an underpayment of \$1,000 for the month of November and an overpayment of \$2.00 for the month of December.

In an upcoming Request for Payment of Monthly Expenses for the month of January 2017, the TCA Office plans to the additional amount of \$988.00 as Uncollected (net) November 2016 Pre-Billed Amount.

**Note 3: PRPD Fund Unbilled Expenses (USDC)**

This amount represents TCA Office expenses incurred that are to be invoiced to the USDC:

Social Security	\$ 670.74
Telephone and Communications	246.03
Chauffer Insurance	1.30
Medicare	1,370.76
Accounting, Tax & Advisory	1,449.60
Total	<u>\$ 3,738.43</u>

**Note 4: Reversed Charges**

During the month of December 2016, the telecommunications provider PRTC/Claro charged the TCA Office some excessive fees. Following protocol, the TCA Office billed the USDC for these charges in order to maintain services while an administrative claim was filed and processed.

Subsequently, the excessive charges were ultimately credited to the TCA account. As such, the TCA Office has a deposit of \$53.74 due to the USDC. In lieu of returning this deposit to the USDC, the TCA Office plans to deduct this amount from a future Request for Payment of Monthly Expenses in order to neutralize its effect.

February 2, 2017  
Page 5 of 5

---

**TCAPR, Corp.**  
**Notes of Statement of Financial Position**  
**As of December 31, 2016**

**Note 5: PRTC Deposit**

As a prerequisite to establishing a telephone/internet service with the PRTC/Claro for the TCA Office, a commercial deposit of \$150.00 is required. Upon the closing of this account service, this deposit is to be applied towards the TCA Office's final invoice with any excess deposit to be refunded.

**Note 6: Funds Balance**

During the year 2016, the commercial bank account accumulated interest in the amount of 65.42. The TCA Office plans to deduct this unintended interest deposits from a future Request for Payment of Monthly Expenses in order to neutralize its effect.

This deposit is also reflected as the Fund Balance Amount on the Statement of Operations and Fund Balance vs. Budget.